

# The Future is Resource Management

Why Resources Are the Key Criteria to Successful Project Portfolio Management

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## Executive Summary

Project management that has long been oriented to tasks and deadlines is showing its age and revealing a pressing need for a new focus on resources. Using outdated tools that lock us into thinking only in terms of work packages and timelines is leading to organization-wide errors, overload, burnout, resource competition, project delays, decreased productivity, and missed opportunities for retention. This white paper uses the latest research in Project Management and Organizational Leadership to outline the causes and consequences of continuing to rely on outdated standards. This paper also guides us into resource management as the way forward for organizations seeking new tools powerful enough to allocate resources and build teams strategically, coordinate multiple complex projects, and build scenarios to enhance decision-making and invite creative thinking.

## About Tempus Resource by ProSymmetry

ProSymmetry was founded in 2007 by passionate resource management experts. Since then, we have continually strived to solve the resource management challenges that slow down, damage, and overwhelm organizations. We do this through our flagship product, Tempus Resource, which is a purpose-built resource forecasting and capacity planning solution, helping you simplify data capture, improve project visibility, and break down even the most complex of project plans and data sets to assist in making more informed decisions with less effort. Tempus Resource is used by Fortune 500 companies, was praised as a “resource management solution accessible to the masses,” and was named a 2016 Cool Vendor by Gartner.

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# Part I: Project Management Needs a New Focus

## Outdated Project-Driven, Task-Oriented Management

No matter the industry, deliverable, or approach, traditional project management has focused almost exclusively on coordinating the work—monitoring tasks, outcomes, deadlines, and spending, with the goal of minimizing errors, delays, cost, and chaos along the way.

But consider how the actual project management phases are all human actions: initiation, planning, execution, monitoring, and closure. Ultimately, it's people who will influence a project's success or setbacks based on their knowledge, experience, availability, limitations, group cohesion, performance dynamics, and capacity.

*Common techniques...such as the Critical Path Method (CPM) and PERT are concerned with minimizing project duration. They assume no limit on the availability of the resources to be employed to complete all project activities on schedule.*

*This unrealistic assumption can lead to ineffective resource usage and project delays. In practice, most projects are limited to the number of resources they can use. In order to schedule activities with resource constraints, other techniques have to be employed.<sup>1</sup>*

So why are we still designing projects with resources filled in last?

One simple reason is that our outdated project management tools force us to be task-focused and slow us down with clunky interfaces. Pushed heavily by outdated standards, these task-focused tools keep us trained on work packages and timelines, leaving our most valuable resources as an afterthought.

Until we shift our focus to resource management, we're losing crucial opportunities. With our vision limited to the project level, we see the work of the organization as project-to-project and lose sight of larger strategies and initiatives toward growth. Managing tasks alone can cause us to miss the bigger picture along with opportunities to gather data, assess processes, and make informed decisions.

And that's just the beginning of the problem.

## Delegation Is More than Just Assigning Tasks

Delegation is a way to not only allocate resources, but also intentionally teach skills, facilitate growth and productivity, improve morale and motivation, and cultivate desired employee traits.<sup>2</sup>

With careful assessment of abilities and potential, managers should coordinate their resources' activities and monitor their progress with established guidelines and clear leadership. In essence, delegation is an opportunity for managers and direct reports to demonstrate mastery, improve, and gain new skills. Receiving assigned work should also empower, enhance creativity, increase involvement and commitment, and grow self-confidence.<sup>3</sup>

When we lead with a task list, delegation becomes simply a matter of assigning enough bodies to get the work done. This limited view causes us to miss ongoing opportunities for retention and development—keys to organizational stability and longevity.

## Initiative Overload: When You Manage Tasks Instead of People

Losing track of how work is distributed across individuals and teams can result in a phenomenon known as “impact blindness.”<sup>4</sup> The term describes the situation where executive teams find themselves “oblivious to the number and cumulative impact of the initiatives they have in progress.”

Impact blindness strikes organizations that are too heavily focused on initiative outcomes at the expense of their resources, and because “many organizations lack mechanisms to identify, measure, and manage the demands that initiatives place on the managers and employees who are expected to do the work.”<sup>5</sup>

Put simply, we need to start looking at resource load over initiative load, seeing not just the tasks but who is responsible and how much else they are responsible for across other projects. Without seeing the impact of work on resources, managers and executives retain unrealistic expectations, inevitably leading to “burnout, performance strain, and turnover . . . people working harder with fewer resources.”<sup>6</sup>

The antidote to initiative overload and its costly consequences is a highly developed sense of prioritization in resource management—with considerable payoffs to be had, including an average of 15% reduction in costs<sup>7</sup> when redundant or nonessential activities are cut or consolidated.

## How Multiple Projects Create Resource Competition and Schedule Pressure

Running multiple projects at once is now the norm in competitive markets. Continuous, incremental product improvement and development mean multi-project environments where different teams have to share resources, which can be “challenging and chaotic” for managers.<sup>8</sup>

Multiple concurrent projects will stretch an organization’s resource capacity to the limit and result in schedule pressure, frequent delays, and poor overall business performance.<sup>9</sup>

*Schedule pressure is the tension caused by the gap between the project manager’s perception of the work days necessary to complete the project with the resources originally allocated to the team and the actual work days left before the planned completion date.<sup>10</sup>*

Organizations often try to compensate for this pressure and incongruity by reallocating resources from one project to another, especially ones considered “business critical.” But these attempts rarely have the desired effect. In fact, decreased productivity is the norm when you up the size of a team to try and speed up delivery. Why? Learning curves, continuity, and dedicated time on task all get disrupted when shifting resources back and forth.<sup>11</sup>

The bottom line is that schedule-driven project management results in maxed out resources, decreased satisfaction, delays, and lower productivity—all the results of lacking focus on resource capacity.

## A Project Manager’s Challenge

The big question for project managers remains: if we know schedule-driven and initiative-driven methods result in overload, decreased productivity, and delays, how do we think differently about structuring and managing the work that must be done? One of the biggest changes the research pushes us toward is how we define, construct, and carry out our work. More and more, we see how our resources are the common denominator in project success, and we need both a management approach and tools powerful enough to shift our focus to who is doing the work.

This shift to **resource management** holds potential to enhance decision-making, right-size delegation and capacity, and improve overall organizational sustainability. Read on to see what the research says a new kind of resource management should actually look like.



# Part II: The Future is Resource Management

*Human capital is the essential component of the organization and depending on whether there is a proper combination of employees, assignment of tasks, trust, and motivation, very different results will be achieved.<sup>12</sup>*

## Resource Management of the Future Needs Data

Project management is far more than just checking off a to-do list. The complexities are well-known, but we don't often realize that within all of the work of project management, we have a wealth of data waiting to be mined and leveraged.

The real power of data isn't just painting a picture of the past but showing us future possibility and potential. Having such a vision can inform strategy, improve decision-making, and allow for agility to adapt to sudden project changes or roadblocks. Data gives us the big picture, helping us to better understand ourselves when we're too deep into the work to step back. And data gives us granular, nuanced feedback we might be inclined to overlook in day-to-day management.

When searching for tools with the right capabilities, it's recommended to find ones that can generate reports and predictive analytics that help PMOs identify risks, collect real-time data, and provide dashboards with snapshots.<sup>13</sup>

## Building the Right Teams with Sociometry

Just as task delegation involves resource development and investment, building teams requires the careful strategies that have been developed in the field of sociometry—the study and measurement of interpersonal relationships in a group of people.

Using key psychological concepts of sociometry, a PMO can “determine which individuals should be chosen from a given pool of resources and how to combine them into one or several simultaneous groups in order to assure the highest possible work efficiency.”<sup>14</sup>

*Recent scientific research has shown that the Group's success or failure is often dependent on the interdependence between a group's teamworking skills, its integration, trust and the technical skills of each of its members.<sup>15</sup>*



Building optimal teams that display consistently high levels of cooperation and cohesion will require the right tools to give PMOs the capability to capture resource data, including skills, background, and capacity. The ability to shift teams strategically will also be crucial for adapting to changing conditions or roadmaps; however, just as crucial will be the PMOs ability to reconfigure teams without overextending resources.

## Charting a Course with Scenario Building and Planning

Project management sees the future in mostly speculative terms—when something should be finished or what percentage of a task will likely be complete—and then ensures reality meets up with expectations. But long-term, strategic future planning requires more than working backward from a deadline. The practices of scenario building and scenario planning can help organizations see their projects and initiatives in a larger context, and as part of a comprehensive strategy.

Notice first that the terms aren't interchangeable: scenario building involves "envisaging a few different possible future outcomes for the situation under scrutiny," while scenario planning means "integrating scenarios permanently in the company's planning process."<sup>16</sup>

But why invest in scenario building and planning at all?

*Scenarios are internally coherent pictures of possible futures...They can dramatize trends and alternatives; explore the impacts and implications of decisions, choices, and strategies; and provide insights into cause-and-effect sequencing.<sup>17</sup>*

Scenario building and planning are far more complex than simply generating predictive data. However, used strategically, scenarios can actually change and improve the way organizations function, and they can expand your perspective, protect against groupthink, and challenge conventional wisdom.

Scenarios are most useful when they allow for flexibility and adaptation to internal and/or external changes, especially mid-project. But with endless variables, scenario building can leave organizations mired down in possibilities and unable to take decisive action.

This is why the usefulness of scenarios depends on tools that simplify the processes of forecasting, with capacities to focus on protecting delivery date, bottom line, and resource capacity.





Scenarios can also serve as a key to understanding how to best steward and use an organization's resources, make sound and informed decisions, and prepare for contingencies. In general, scenarios can:

- Provoke strategic thought by removing obstacles to creative thinking
- Allow for sharp discontinuities to be evaluated
- Require decision makers to question their basic assumptions
- Inform decision makers and influence as well as enhance decision making <sup>18</sup>

Scenario building can consider criteria ranging from basic to extremely complex. Data that forecasts resource capacity, especially with multiple outputs like individuals or percentage of time, can be invaluable in preventing overload and the detrimental effects of moving resources at the last minute.

Additionally, forecasting project parameters, conditions, and possible changes with generic roles may lend insight into whether an organization is well-staffed enough or needs to make some hiring decisions before launching a project. This kind of scenario analysis alone stands to save time, avoid burnout, and prevent costly missed deadlines due to understaffing.

## **Benefits of Cooperation with Strategic Human Resources Management**

Most companies already have a Human Resources department, if not a strategic approach to Human Resources Management (HRM), which can be vital to maintaining an engaging work environment.

Because an organization's overall strategy should be connected to both its resource-focused project execution strategy and its Human Resources Management strategy, it makes sense for these two areas to connect explicitly. When all systems merge toward serving the larger strategic function and align core processes, "the entire organization is able to utilize people efficiently and effectively." <sup>19</sup>

A major component of any strong HRM strategy involves opportunities for continuous engagement, support, growth, and meaningful contribution to the organization. Such oversight doesn't have to remain the sole responsibility of HR. Project managers can also play a direct role in cultivating resources by how carefully they delegate, group, and schedule.

Specifically, PMOs can consider, with the right tools in hand, how to deploy multi-project scheduling techniques. In other words, when juggling multiple projects, there should be tight and coordinated cooperation with respect to moving resources between projects.<sup>20</sup> When resources can be drawn from a common residual pool and assigned and moved strategically, this kind of cooperation can have impressive benefits, including "reduction in project duration by as much as 20% in the case of section management with cooperation."<sup>21</sup>

# Conclusions

## Resource Visibility Remains Crucial

Resources are already every organization's baseline for success, but rarely do they receive the focus and consideration needed to truly leverage their capabilities and contributions. In the future of managing complex, long-term, and concurrent projects, it is an organization's resources who will be the central criteria for designing, organizing, adapting, and completing projects.

PMOs who wish to actively take a role in their organizations' larger strategies will need to move away from outdated tools that keep them trained on discrete tasks and make them vulnerable to scheduling conflicts, schedule pressure, burn out, delays, missed deadlines, and drains on productivity.

With tools that provide clear visibility and empower organizations to prioritize resource management, PMOs can gather copious data, deploy sociometric techniques, encourage high-functioning groups, forecast capacity, predict overload, build scenarios, improve decision making, and enhance development and retention—all vital capabilities for growth, expansion, and thriving.

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